

Joint Waste Service Business plan 2018-19

About your service

Our Vision

The Joint Waste Service will continue to be an organisation that treats waste as a resource and not a problem.

Our Mission

To provide waste and recycling services which are good value for money, sustainable and meet the needs of the residents and businesses of Lichfield District Council and Tamworth Borough Council.

We will strive to achieve the following:

- To work in partnership delivering a shared waste collection service to 77,000 households in both council areas
- To provide a cost effective waste management solution to commercial customers
- To reduce the amount of waste produced per household
- To minimise the impact of charging for garden waste on the recycling and composting rate
- To recover the maximum value from the materials that we collect
- To reduce the adverse environmental impact of the service's waste management activities
- To engage and communicate effectively with our residents
- To improve service delivery standards
- To reduce the cost of the service per property in real terms
- To improve the efficiency of collections by utilising modern technology and new ways of working
- To maximise opportunities to increase income

Current State

- The recycling rate for the Joint Waste Service is likely to outturn at 49% for 2017/18
- The total number of garden waste subscription that have been sold currently stands at 27,425 (March 2018).

Challenges

- How to improve the quality of the dry recyclate when it is collected from 77,000 different sources. We need to have the right balance between education and policing of the service.
- To balance resource against demand for the chargeable garden waste service when the number of subscribers is constantly changing.
- To improve collection productivity.

Threats

- The loss of markets for dry recyclate and the subsequent reduction in income following the introduction of the Chinese ban on mixed papers and mixed plastics.

- Reduction in the level of Recycling Credit paid to the Joint Waste Service by the County Council. The County Council is pressing for a reduction in the credit paid for garden waste and there is a risk this could be extended to dry recycle in the future.
- Loss of key staff – Uncompetitive pay for HGV drivers and a national shortage. Aging workforce.

Opportunities

- To maximise income by increasing the number of residents subscribing to the chargeable garden waste service.
- To improve the commercial viability of the trade waste services by increasing the number of customers and income.

Key Partnerships

- Joint Waste Service partnership between Lichfield District Council and Tamworth Borough Council – Delivers waste and recycling services to 77,000 residential properties and commercial customers.
- Staffordshire and Stoke on Trent Joint Waste Management Board – Delivers the Joint Waste Management Strategy.
- Southern Staffordshire Partnership – Contract for the disposal of dry recycle.

About your customers/market

Likely Trends and Impact

- Feedback from other authorities that charge for garden waste suggest that the service should see a steady growth in the subscription rate and thus income over the next two to three years.
- The recycling and composting rate will fall in 2018/19 because of the introduction of the garden waste charge. The rate is already under pressure which is in line with the national trend. A fall in the recycling rate will decrease Recycling Credit income.
- The recycling rate had already started to stall in line with the national trend even before the introduction of a chargeable garden waste. A decrease in tonnage will reduce the amount of income that the service receives from the Recycling Credit.
- The Chinese ban on mixed papers and plastics will depress world market prices and reduce the income which the service receives from the sale of dry recycle.
- The rate at which new properties are being built is forecast to increase over the next decade which will put pressure on the collection infrastructure.
- The demand for assisted collections is likely to grow in line with the ageing population which will also put pressure on collection infrastructure.

Marketing Activity

- A decision was made in July in accordance with the original Cabinet approval to keep the subscription rate at £36 per bin for 2019. The evidence from other authorities which charge indicates that there is an indirect correlation between the value of the charge and take up. The higher the charge the lower the take up and vice versa. The 2019 charge is below the national average which is £41.20. Therefore the service does have some head room to increase the charge in future years before it starts to look expensive compared to other local authorities and private sector providers.
- The Joint Waste Service provides bulky waste and metal collections for which it levies a charge. The income from these services is approximately £72,000 per annum and there has been little growth over the last few years. This is probably because there has been a trend amongst the mid to high end market retailers to offer their customers a free or subsidised

collection service for old furniture and appliances when they buy new products. The charging structure adopted by the service is pretty much in line with what other districts charge locally.

- The authority is legally required to arrange for the collection of commercial waste if it receives a request from the occupier of a business premises. Demand is price sensitive and affected by competition from private sector waste companies particularly in the urban areas. There is less competition in rural areas because it isn't always cost effective to serve remote customers. As the local authority has a legal duty to arrange collections its portfolio of customers tend to become top heavy with rural businesses and also charities who receive a discounted rate. The service has traditionally relied on its reputation and never actively sought new customers. It also operates on a very rigid pricing structure. To improve the commercial viability of the service we will need to invest in a marketing resource and use a more flexible pricing structure in order to compete effectively in the profitable urban areas.

Your team's action plan 2018/19

Service plan objective Please list the activities your team will deliver between April 2018 and March 2019?				Corporate priority What corporate priority is the objective supporting? Please highlight if the action is listed in/Supports the key actions in the council's Delivery Plan 2016-2020.
Summary of activity	When will it be done by?	Who is responsible for getting it done?	Which teams will you require support from to deliver this action?	Outcomes - what is the result of the action being done?
Produce a commercialisation strategy for the trade waste services	December 2018	General Manager	Communications	Improve the commercial viability of the Trade Refuse and Trade Recycling Services. Increase the number of trade customers and income. This will assist in achieving "A Council that is fit for the future"
Implement the Action Plan for improving collection productivity	September 2018	General Manager	Corporate Services, Human Resources	Reduce the time taken to collect each round and thus realise spare collection infrastructure. This is likely to require a return to some form of task and finish working practice. This will assist in achieving "A Council that is fit for the future"
Develop an Action Plan for improving the quality of dry recycle	October 2018	General Manager/ Customer Relations & Performance Manager	Communications	Reduce the amount of contamination and non-target materials in the dry recycle which will improve income and decrease the number of rejected loads. This will assist in achieving "A Council that is fit for the future"
Complete the digitisation programme for the waste processes	June 2018	Customer Relations & Performance Manager	IT, Customer Services, Corporate Services	Increase the number of residents that interact with the service through the website and digital channels. This will assist in achieving "A Council that is fit for the future"

Please note, this section will be considered by Leadership Team to ensure the organisation is prioritising the best activities and there is adequate resource to deliver the activities listed. You may be asked to provide further detail on projects in advance or during Leadership Team review.

Your team corporate KPIs

See Appendix 1.

Your team specific KPIs and performance measures

In addition to corporate performance measures recorded on Pentana (including your financial performance against your budget, your staff turnover and sickness etc), what performance measures do you record in your team and how?

KPI (key performance indicator)	Description	Source	How often do you collect it?	Target
<i>Crew performance</i>	<i>Monitor each crew's compliance with service delivery standards including the number of missed bins, failure to return bins and round completion.</i>	<i>Various sources including complaint data.</i>	<i>Daily</i>	<i>Not applicable</i>
<i>Driver Performance (League table)</i>	<i>The trucks are all fitted with a device which measures a number of driving factors that contribute to fuel efficiency including harsh breaking, excess acceleration and over revving.</i>	<i>Information is downloaded from in cab units.</i>	<i>Monthly</i>	<i>Not applicable</i>

Optional sections

About your team's finances and income

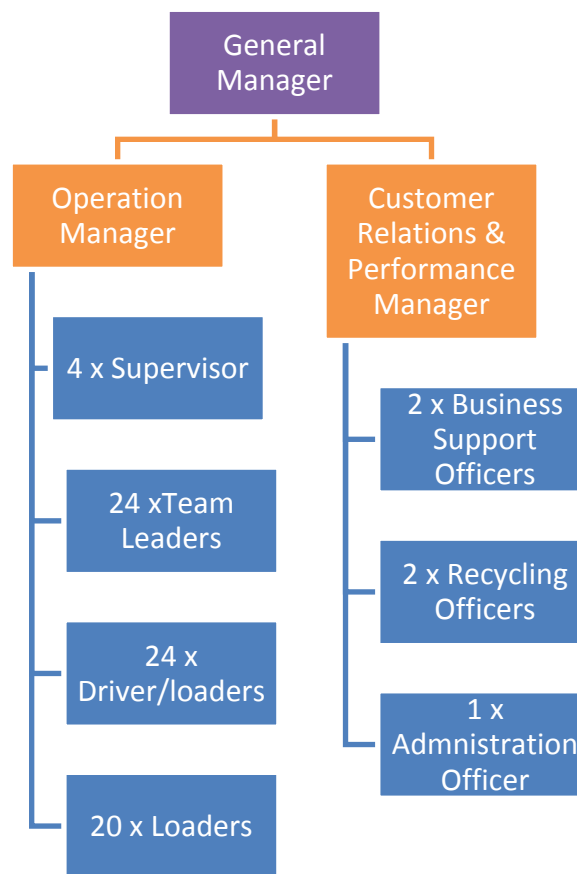
The revenue resources are primarily required to fund the operational infrastructure (Staff, Vehicles and fuel) and gate fees for the disposal of garden waste and dry recycle. During the term of the MTFS there will be infrastructure cost pressure because of the number of new properties which are likely to be built in the district. Additional collection rounds will have to be introduced and bins purchased to serve the new properties but the timing is difficult to predict because this will depend on the rate of construction. The Chinese ban on certain recycle materials could result in the Joint waste Service having to pay a higher gate fee to secure the disposal of dry recycle despite the fact it has a long term contract in place which has a fixed gate fee. This is because our contractor has put us on notice that they are suffering financially as they struggle to find a market for mixed papers. They are currently having to pay for the mixed papers to be sent to a plant in the north east for further sorting into better grades. Previously they exported all the mixed paper to China.

Capital expenditure may be required during the MTFS term if the service decides to replace the one refuse truck it owns by direct purchase rather than using contract hire. It is often more cost effective to buy a good quality second hand vehicle for the ancillary collections compared to taking on a brand new vehicle on a long term lease.

The income from the garden waste charge has been built into the MTFS at a subscription rate of 45%. This is the first year of the charge and the initial uptake has been very good and it is likely that the outturn will be close to target. The risk of the recycling credit being reduced down to the cost of disposal for garden waste has already been built into the MTFS from 2018/19. Negotiations on the reduction are still ongoing and there is a strong possibility that the reduction will be tapered over a number of years and it won't be introduced until 2019/20. The biggest risk for income is from the sale of dry recyclate because of the Chinese ban. The level of income that the service receives is directly affected by the commodity prices on the World markets and they are now being depressed by the ban. Trying to predict the future direction of markets is extremely difficult.

Cost centre		2016/17 approved (£'000)	2017/18 budget (£'000)	2018/19 budget (£'000)	2019/20 budget (£'000)
Joint Waste Service Revenue	Income		3,942	5,038	5,153
	Expenditure		6,258	7,281	7,466
	Total		2,317	2,243	2,313
Joint Waste Capital	Income		0	0	0
	Expenditure		20	30	110
	Total		20	30	110

About your team



Job title	Salary band	Full-time equivalent (FTE)				Comments
		2014-15	2015-16	2016-17	2017-18	
General Manager	L	1	1	1	1	
Operations Manager	L	1	1	1	1	
Customer Performance and Service Manager	J	1	1	1	1	
Business Support Officers	E	2	2	2	2	
Administration Officer	B	1	1	1	1	
Supervisors	G	3	4	4	4	
Recycling Officer	F	2	2	2	2	
Team Leader	E	23	23	24	24	
Driver Loader	E	23	23	24	24	
Loader	D	20	20	20	20	

About the risks facing your team

Identify the key risks that may impact on the service and this plan and assess them in the standard way.

Risk	Description	Risk type	Owner	Risk rating				Risk response
				Impact	Likelihood	Appetite	Score	
Chinese ban on mixed papers and mixed plastics	Loss of markets for dry recycle, closure of Material Reclamation Facility, rising gate fee and reduced income	Financial	General Manager	5	4	High	20	Tolerate
Reduction in the Recycling Credit paid by the County Council	A reduction in the Recycling Credit paid for garden waste was factored into the MTFS. However there is a risk that the County Council may try and reduce the credit paid for dry recycle.	Financial	General Manager	3	5	Medium	15	Treat

Reduction in the quality of dry recycle	A reduction in quality increase the risk of entire loads of dry recycle being rejected and a reduction in income levels.	Financial, Recycling Performance	General Manager	4	5	High	20	Treat
Failure to achieve the subscription target for garden waste	A 45% subscription target was set for the first year of the chargeable garden waste service.	Financial	General Manager	3	3	Medium	9	Treat
Loss of key personnel	National shortage of HGV drivers and the impact of the Governments pay cap on local government salaries	Financial, operational, reputation	General Manager	3	4	Medium	12	Treat
Health and Safety	Fatal and serious accidents to employees and third parties	Financial, operational, reputation	General Manager	5	3	Medium	15	Treat

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